



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

INFORMATIONAL MEMORANDUM

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 10-19-00
Administrator

SUBJECT: Claims Advisory - Sugar Beets damaged by Freeze In Western North Dakota and Eastern Montana

BACKGROUND:

Four nights of sub-freezing temperatures in early October have severely damaged sugar beets in northeastern Montana and northwestern North Dakota. At least one major sugar processor subsequently notified its sugar beet contract holders that, as a result of the freeze, they were rejecting any and all beets harvested after October 4, 2000.

DISCUSSION:

This Informational Memorandum is issued to advise insurance providers of how this situation should be handled under the terms of the policy.

If the insured provides proof the sugar beets were damaged by an insurable cause of loss (freeze), and the sugar beets meet the standards for rejection stated in the original sugar beet processing contract an appraisal will be done to determine production to count and:

- 1) The sugar beets are destroyed in accordance with the procedures in the Loss Adjustment Manual, the sugar beets may be determined as zero value. Appraised unharvested production (not topped **or** lifted) may be put to another use (i.e. grazed) and will still be considered destroyed.
- 2) The beets are or will be harvested for potential processing or other uses, the claim should be finalized in accordance with the policy provisions in section 13(e) Settlement of Claim.



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The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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DISPOSAL:

This Informational Memorandum is providing information and does not change existing policy or procedure. The disposal date is December 31, 2000.